

PRESS RELEASE
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During the winter exploration campaign in an oil-rich area

REPSOL MAKES THREE OIL DISCOVERIES IN ALASKA

- **The three wells drilled during the recently completed exploratory campaign found crude oil at different depths.**
- **The initial production tests carried out on two of the wells yielded encouraging results for future development.**
- **Repsol operates the discovering consortium with a 70% stake, in association with 70 & 48 LLC, a subsidiary of Armstrong Oil and Gas, (22.5%) and GMT Exploration Company (7.5%).**
- **Assessment and exploration work will continue during the 2013-2014 winter campaign.**
- **Alaska's North Slope is an especially promising area for Repsol as it has already shown high oil potential.**

Repsol has completed its winter exploration campaign in Alaska with three new good quality hydrocarbon discoveries, boosting the project to develop the company's reserves in the resource-rich North Slope region.

Repsol operates the discovering consortium with a 70% stake, together with US companies 70 & 48 LLC, a subsidiary of Armstrong Oil and Gas, (22.5%) and GMT Exploration Company (7.5%).

The Qugruk 1 (Q-1) and Qugruk 6 (Q-6) wells produced two hydrocarbons shows, with encouraging results during production tests. In the Qugruk 3 (Q-3) well, hydrocarbons were identified at multiple levels. Exploration can only be carried out during four months of the year, when the terrain is frozen. Wells Q-1, Q-3 and Q-6 reached depths of 2,493 meters, 3,214 meters and 2,637 meters, respectively.

These results are encouraging for the future development of the resources discovered. Recent tax reform passed in Alaska was a critical factor in ensuring the development of this project, where extreme climate conditions and geographical remoteness result in high operating costs.

The North Slope of Alaska is an especially promising area for Repsol, as it has shown itself to be oil-rich. In the United States, Repsol also explores for and produces hydrocarbons in the Gulf of Mexico and the Mississippian Lime. The company currently employs a staff of 380 in the country.

Repsol has significantly increased its exploration investment in recent years, acquiring acreage in 14 new countries since 2004. The result of this greater exploratory activity and success is much higher reserve addition rates than the industry average, along with a significant increase in production. Repsol posted a reserve replacement ratio of 204% in 2012.

This trend will be maintained over the coming years with projects the company already has underway. The 2012-2016 Strategic Plan includes a reserve replacement ratio of at least 120% a year as well as sustained production increases to reach 500,000 barrels of oil equivalent a day in 2016.

To this end, Repsol will dedicate around 80% of its 19.1 billion-euro programmed investment over the five-year period to exploration and production, a unit which is the company's growth engine.

LOCATION MAP

